



General Assembly

**Proposed Substitute
Bill No. 587**

February Session, 2008

LCO No. 3285

**AN ACT CONCERNING ELECTRIC AND GAS CONSERVATION
INCENTIVES.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 16-19tt of the 2008 supplement to the general
2 statutes is repealed and the following is substituted in lieu thereof
3 (*Effective from passage*):

4 [In any rate case initiated on and after June 4, 2007] On or before
5 December 31, 2008, the Department of Public Utility Control shall
6 order the state's gas and electric distribution companies to decouple
7 distribution revenues fully from the volume of natural gas or
8 electricity sales through [any of the following strategies, singly or in
9 combination: (1) A] a mechanism that adjusts actual distribution
10 revenues to [allowed] the distribution revenues [, (2) rate design
11 changes that increase the amount of revenue recovered through fixed
12 distribution charges, or (3) a sales adjustment clause, rate design
13 changes that increase the amount of revenue recovered through fixed

14 distribution charges, or both. In making its determination on this
15 matter, the department shall consider the impact of decoupling on the
16 gas or electric distribution company's return on equity and make
17 necessary adjustments thereto] allowed in the company's most recent
18 rate case. The adjustment mechanism shall be based either on total
19 distribution revenues or on distribution revenues per customer and
20 shall be fully effective for the period beginning January 1, 2009.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>from passage</i>	16-19tt
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